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**EVANGELINE
COMMUNITY ACTION AGENCY, INC.**
Ville Platte, Louisiana

Financial Report

Year Ended January 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/9/06

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INDEPENDENT AUDITORS' REPORT

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* A Professional Accounting Corporation

**Mr. Gervis LaFleur, Executive Director, and
Members of the Board of Directors
Evangeline Community Action Agency, Inc.
Ville Platte, Louisiana**

We have audited the accompanying statement of financial position of the Evangeline Community Action Agency, Inc. (a nonprofit organization) as of January 31, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Evangeline Community Action Agency, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Evangeline Community Action Agency, Inc., as of January 31, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 14, 2006, on our consideration of Evangeline Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Member of:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Member of:
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Evangeline Community Action Agency, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the financial information listed as "Supplemental Information" on pages 15-17, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 14, 2006

FINANCIAL STATEMENTS

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Financial Position
January 31, 2006

ASSETS

Current assets:

Cash	\$211,834
Other receivables	1,020
Grant receivable	<u>16,915</u>
Total current assets	229,769

Fixed assets at cost - less accumulated depreciation
of \$381,045

196,180

Total assets

\$425,949

LIABILITIES AND NET ASSETS

Liabilities -

Current liabilities:

Accounts payable	\$ 70,175
Accrued liabilities	11,117
Deferred revenue	<u>21,577</u>
Total current liabilities	<u>102,869</u>

Net assets -

Unrestricted net assets:

Operations	126,900
Fixed assets	<u>196,180</u>
Total unrestricted net assets	<u>323,080</u>

Total liabilities and net assets

\$425,949

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Activity
Year Ended January 31, 2006

	Unrestricted		Totals
	Operations	Fixed Assets	
Support:			
Government grants	\$3,364,138	\$ -	\$3,364,138
Local grants	34,233	-	34,233
Donated services and facilities	423,019	-	423,019
Miscellaneous income	1,285	-	1,285
Total support	<u>3,822,675</u>	<u>-</u>	<u>3,822,675</u>
Expenses:			
Program services -			
Energy Assistance Programs	1,531,164	-	1,531,164
Local grants	5,661	-	5,661
Food services	136,955	-	136,955
Headstart	1,874,853	63,120	1,937,973
Summer Childcare	5,683	-	5,683
Total program services	<u>3,554,316</u>	<u>63,120</u>	<u>3,617,436</u>
Support services -			
Community Services Block Grant	136,563	277	136,840
Total expenses	<u>3,690,879</u>	<u>63,397</u>	<u>3,754,276</u>
Change in net assets	131,796	(63,397)	68,399
Other changes in net assets:			
Additions to fixed assets	(27,742)	27,742	-
Change in clearing accounts	12	-	12
Total other changes	<u>(27,730)</u>	<u>27,742</u>	<u>12</u>
Total net change in net assets	104,066	(35,655)	68,411
Net unrestricted assets, beginning	22,834	231,835	254,669
Net unrestricted assets, ending	<u>\$ 126,900</u>	<u>\$ 196,180</u>	<u>\$ 323,080</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Functional Expenses
Year Ended January 31, 2006

	Program Services		
	Energy Assistance Grants	Local Grants	Food Services Program
Salaries	\$ 12,388	\$ -	\$ 20,600
Contract labor/consulting fees	-	1,170	-
Payroll taxes	960	-	2,063
Retirement	-	-	-
Total salaries and related expenses	<u>13,348</u>	<u>1,170</u>	<u>22,663</u>
Dues	-	-	-
Energy assistance	1,514,010	640	-
Food and nutrition	-	-	112,906
Cooling	-	-	-
Insurance	-	-	-
Contributed services and facility costs	-	-	-
Medical and dental	-	1,437	-
Miscellaneous	180	675	12
Other occupancy	-	-	-
Parent involvement	-	-	-
Printing/advertising	-	-	-
Professional fees	279	-	1,200
Rent	-	-	-
Repairs and maintenance	-	-	-
Seminars and workshops	-	141	-
Supplies and materials	3,225	1,251	174
Telephone	-	-	-
Travel	122	347	-
Utilities	-	-	-
Total expenses before depreciation	<u>1,531,164</u>	<u>5,661</u>	<u>136,955</u>
Depreciation expense	-	-	-
Total expenses	<u>\$ 1,531,164</u>	<u>\$ 5,661</u>	<u>\$ 136,955</u>

The accompanying notes are an integral part of this statement.

Summer Childcare	Head Start Program	Total Program Services	Support Services	Totals
			Community Services Block Grant	
\$ -	\$ 962,252	\$ 995,240	\$ 108,624	\$ 1,103,864
-	-	1,170	-	1,170
-	88,323	91,346	8,939	100,285
-	28,088	28,088	-	28,088
-	1,078,663	1,115,844	117,563	1,233,407
-	-	-	1,105	1,105
-	-	1,514,650	-	1,514,650
-	15,866	128,772	1,897	130,669
-	-	-	598	598
-	135,795	135,795	1,137	136,932
-	423,019	423,019	-	423,019
-	2,446	3,883	-	3,883
-	12,128	12,995	-	12,995
-	4,809	4,809	-	4,809
-	4,991	4,991	-	4,991
-	1,323	1,323	-	1,323
-	7,000	8,479	500	8,979
-	32,400	32,400	3,600	36,000
-	28,525	28,525	-	28,525
-	15,576	15,717	-	15,717
5,683	37,774	48,107	1,952	50,059
-	11,989	11,989	3,891	15,880
-	40,778	41,247	98	41,345
-	21,771	21,771	4,222	25,993
5,683	1,874,853	3,554,316	136,563	3,690,879
-	63,120	63,120	277	63,397
<u>\$ 5,683</u>	<u>\$ 1,937,973</u>	<u>\$ 3,617,436</u>	<u>\$ 136,840</u>	<u>\$ 3,754,276</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Statement of Cash Flows
For the Year Ended January 31, 2006

Cash flows used for operating activities:	
Change in net assets	\$ 68,411
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	63,397
Increase in other receivables	(1,012)
Decrease in grant receivable	25,940
Decrease in accounts payable	(7,346)
Decrease in accrued liabilities	(10,970)
Increase in deferred revenue	<u>654</u>
Net cash provided by operating activities	139,074
Cash flows from investing activities:	
Purchase of equipment	<u>(27,742)</u>
Net increase in cash and cash equivalents	111,332
Cash, beginning of period	<u>100,502</u>
Cash, end of period	<u>\$211,834</u>

The accompanying notes are an integral part of this statement

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Evangeline Community Action Agency, Inc. (The Agency) is a non-profit organization, which was organized on February 25, 1965, and which shall continue in existence for a period of 99 years from that date unless dissolved earlier. It receives grants from federal and state governments to conduct various community service programs, and its primary purpose is to better the conditions under which people in the Evangeline Parish area live.

B. Financial Statement Presentation

Evangeline Community Action Agency, Inc. has adopted the provisions of Statements of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations". Statement No. 117 requires Evangeline Community Action Agency, Inc. to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the agency is required to present a statement of cash flows.

C. Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

D. Fixed Assets and Depreciation

Fixed assets are recorded at cost. Depreciation of fixed assets is calculated on the straight-line basis over an estimated useful life of five years. The Agency follows the practice of capitalizing all expenditures for equipment and fixtures in accordance with each program's grant guidelines.

E. Budgets

Evangeline Community Action Agency, Inc. does not adopt budgets on a fiscal year basis. Each grant program's budget is based on its individual program year end and is approved by the program at the inception of the program. Budgetary amendments must generally be approved by the program as well.

EVANGELINE COMMUNITY ACTION AGENCY, INC.

Ville Platte, Louisiana

Notes to Financial Statements (Continued)

F. Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave is accumulated at 1 1/2 day's pay per month but is not payable upon termination or resignation. Annual leave accumulates at the rate of 1 1/2 days per month after the first three months. Upon termination or resignation, a maximum of nine days can be paid to the employee. Also, only nine days can be carried over from year to year. Any liability Evangeline Community Action Agency, Inc. might have in this regard at January 31, 2006, is considered immaterial; therefore, no liability has been recorded in the accounts.

G. Donated Services and Materials

Contributions of materials, facilities and services are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. These donated services and facilities were recorded at market value.

H. Statement of Cash Flows

The Evangeline Community Action Agency, Inc. considers all highly liquid investments with maturity of three months or less at the date of acquisition to be cash equivalents.

I. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

J. Income Tax Status

The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal income taxes is made in the accompanying financial statements.

K. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

EVANGELINE COMMUNITY ACTION AGENCY, INC.

Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(2) Grant Receivable

Grants receivable consisted of the following at January 31, 2006:

Due from the Louisiana Department of Education:	
Food Services Program	\$ 16,577
Due from U.S. Dept. of Health and Human Services:	
Headstart	<u>338</u>
	<u>\$ 16,915</u>

(3) Fixed Assets

Fixed assets at January 31, 2006 consisted of the following:

Furniture, fixtures and equipment	\$ 98,098
Vehicles	<u>479,127</u>
	577,225
Less: Accumulated depreciation	<u>(381,045)</u>
	<u>\$ 196,180</u>

(4) Operating Leases

The Evangeline Community Action Agency, Inc. leases various buildings under operating leases expiring in various years. The minimum annual commitments under these operating leases are considered to be immaterial.

(5) Retirement

All employees of Evangeline Community Action Agency, Inc. participate in the Social Security System. The Corporation and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Corporation, 7.65% by the employee). Retirement amounts are paid to the Social Security System, which is responsible for administration and disbursing benefits. The Corporation has no further liability for future deficits in the system.

Employees of the Evangeline Community Action Agency, Inc. have the option of participating in a defined contribution retirement plan. The Agency's contributions are equal to 3% of the annual salary of participating employees. During the year ended January 31, 2006, the Agency's contribution to the plan totaled \$28,088.

EVANGELINE COMMUNITY ACTION AGENCY, INC.

Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(6) Pending Litigation

There is no pending litigation against the Evangeline Community Action Agency, Inc. at January 31, 2006.

(7) Compensation Paid to Members of the Board of Directors

Members of the Board of Directors of Evangeline Community Action Agency, Inc. receive no compensation and are reimbursed only for any expenses incurred relating to the Agency's business, which must have appropriate supporting documentation.

(8) Contributed Facilities, Services, and Materials

Contributed facilities represent the estimated fair rental value of office and storage space. Contributed services represent volunteer teachers, doctors, and attorneys in which the value of the service creates or enhances non-financial assets or the service is specialized and would otherwise be purchased if not provided by donation. Contributed facilities, services, and materials are reflected in the financial statements at fair value, which amounted to \$423,019 for the year ended January 31, 2006.

(9) Grant Revenue

The Agency's major source of revenue is grants from federal and state governmental entities. The use of these funds is restricted to the purpose set forth in the individual grant agreements. Such grant agreements are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of Evangeline Community Action Agency, Inc., such disallowances, if any, will not be significant.

(10) Concentrations

The Agency receives a substantial amount of its support from the U.S. Department of Health and Human Services - Headstart program. A significant reduction in the level of this support or suspension in funding may have an effect on the continuing operations of the Evangeline Community Action Agency, Inc.

SUPPLEMENTAL INFORMATION

INDIVIDUAL PROGRAMS/FUNDS

Accounts Payable/Payroll -

The clearing accounts which are used for the disbursement of accounts payable and payroll checks for all programs.

Food Services Program -

To account for receipt and expenditure of federal grant funds passed through the Louisiana Department of Education for meals for needy children at Headstart locations.

Summer Child Care Program -

To account for the receipt and disbursement of federal grant funds passed through the Louisiana Department of Social Services, Office of Family Support, which provides educational, psychological, nutritional, medical, dental and social services to needy pre-school children in the area during the summer months.

Commodities -

To account for the receipt and expenditure of federal grant funds and commodities passed through the Louisiana Department of Agriculture and Forestry to be used to distribute donated food commodities to needy households.

Community Service Block Grant -

To account for the receipt and subsequent use of federal grant funds passed through the Louisiana Department of Labor to be used for administrative and other budgeted purposes.

Head Start Program -

To account for the receipt and expenditure of funds received from the U.S. Department of Health & Human Services for Head Start, which provides educational, psychological, nutritional, medical, dental and social services to needy pre-school children in the area.

LIHEAP/TANF Energy Assistance -

To account for the receipt and subsequent use of federal grant funds passed through the Louisiana Department of Health & Human Resources to be used for the payment of home energy bills for qualifying residents of the area.

Local Grants -

To account for local funds received for energy grants, medicine assistance and teen outreach programs.

Fixed Assets Fund -

To account for the fixed assets of the corporation and depreciation provided on those assets.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Combining Statement of Financial Position
January 31, 2006

	<u>Accounts Payable/ Payroll</u>	<u>Food Services Program</u>	<u>Summer Child Care</u>
ASSETS			
Current assets:			
Cash	\$ 12,685	\$ 13,652	\$ 14,461
Other receivables	20	-	-
Grant receivable	-	<u>16,577</u>	-
Total current assets	12,705	30,229	14,461
 Fixed assets at cost - less accumulated depreciation of \$381,045			
	-	-	-
Total assets	<u>\$ 12,705</u>	<u>\$ 30,229</u>	<u>\$ 14,461</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable	\$ 1,727	\$ 15,091	\$ 997
Accrued liabilities	11,117	-	-
Deferred revenue	-	-	<u>13,464</u>
Total liabilities	12,844	15,091	14,461
 Net assets, unrestricted	 <u>(139)</u>	 <u>15,138</u>	 <u>-</u>
Total liabilities and net assets	<u>\$ 12,705</u>	<u>\$ 30,229</u>	<u>\$ 14,461</u>

<u>Commodities</u>	<u>Community Services Block Grant</u>	<u>Head Start Program</u>	<u>Energy Assistance Grants</u>	<u>Local Grants</u>	<u>Fixed Assets</u>	<u>Totals</u>
\$1,042	\$ 567	\$ 51,154	\$ 78,929	\$39,344	\$ -	\$211,834
-	-	-	1,000	-	-	1,020
-	-	338	-	-	-	16,915
<u>1,042</u>	<u>567</u>	<u>51,492</u>	<u>79,929</u>	<u>39,344</u>	<u>-</u>	<u>229,769</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,180</u>	<u>196,180</u>
<u>\$1,042</u>	<u>\$ 567</u>	<u>\$ 51,492</u>	<u>\$ 79,929</u>	<u>\$39,344</u>	<u>\$ 196,180</u>	<u>\$ 425,949</u>
\$ -	\$ 496	\$ 51,333	\$ 336	\$ 195	\$ -	\$ 70,175
-	-	-	-	-	-	11,117
<u>1,042</u>	<u>71</u>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>21,577</u>
<u>1,042</u>	<u>567</u>	<u>51,333</u>	<u>7,336</u>	<u>195</u>	<u>-</u>	<u>102,869</u>
<u>-</u>	<u>-</u>	<u>159</u>	<u>72,593</u>	<u>39,149</u>	<u>196,180</u>	<u>323,080</u>
<u>\$1,042</u>	<u>\$ 567</u>	<u>\$ 51,492</u>	<u>\$ 79,929</u>	<u>\$39,344</u>	<u>\$ 196,180</u>	<u>\$ 425,949</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Grant Revenue
Year Ended January 31, 2006

LIHEAP	\$ 1,603,475
Food Services Program	140,126
Community Services Block Grant	136,563
Headstart	1,478,291
Summer Childcare	5,683
Local grants	<u>34,233</u>
	<u>\$ 3,398,371</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER GRANT INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
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Retired:
Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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Mr. Gervis LaFleur, Executive Director
and Members of the Board of Directors
Evangeline Community Action Agency, Inc.
Ville Platte, Louisiana

We have audited the financial statements of Evangeline Community Action Agency, Inc., (a nonprofit organization), as of and for the year ended January 31, 2006, and have issued our report thereon dated July 14, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Evangeline Community Action Agency, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Evangeline Community Action Agency, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion

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on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 14, 2006

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

WEB SITE:
WWW.KCGRCPAS.COM

* A Professional Accounting Corporation

Mr. Gervis LaFleur, Executive Director,
and Members of the Board of Directors
Evangeline Community Action Agency, Inc.
Ville Platte, Louisiana

Compliance

We have audited the compliance of Evangeline Community Action Agency, Inc., (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended January 31, 2006. Evangeline Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Evangeline Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on Evangeline Community Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Evangeline Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Evangeline Community Action Agency, Inc.'s compliance with those requirements.

In our opinion, Evangeline Community Action Agency, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended January 31, 2006.

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Internal Control Over Compliance

The management of Evangeline Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Evangeline Community Action Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 14, 2006

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended January 31, 2006

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Federal Expenditures
U.S. Department of Agriculture:		
Passed through State Dept. of Education - Child and Adult Care Food Program	10.558	\$ <u>136,955</u>
U.S. Department of Health and Human Services:		
Direct Program - Headstart	93.600	1,479,576
Passed through State Dept. of Employment and Training - Community Services Block Grant	93.569	136,563
Passed through Louisiana Housing Finance Agency - Low-Income Home Energy Assistance	93.568	1,530,882
Passed through State Dept. of Social Services - Temporary Assistance for Needy Families	93.558	282
Headstart Summer Childcare	93.596	<u>5,683</u>
Total Department of Health and Human Services		<u>3,152,986</u>
Total		<u>\$ 3,289,941</u>

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended January 31, 2006

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Evangeline Community Action Agency, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Headstart

In accordance with terms of the grant, the organization has expended matching contributions totaling \$423,019 during the year ended January 31, 2006.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs
Year Ended January 31, 2006

Part I. Summary of Auditor's Results:

1. An unqualified report was issued on the financial statements.
2. No reportable conditions relating to the audit of the financial statements were reported.
3. There were no instances of noncompliance reported which were material to the financial statements, as required to be reported in accordance with Government Auditing Standards.
4. No reportable conditions in internal control over the major programs were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major programs were the U.S. Department of Health and Human Resources Headstart Program, CFDA No. 93.600 and Low-Income Home Energy Assistance Program, CFDA No. 93.568.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

A. Compliance Findings –

There were no compliance findings to be reported in accordance with generally accepted Governmental Auditing Standards.

B. Internal Control Findings –

There were no internal control findings to be reported in accordance with generally accepted Governmental Auditing Standards.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended January 31, 2006

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported under the above guidance.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
 Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit
 Findings and Corrective Action Plan
 Year Ended January 31, 2006

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding/ Management Letter Comment	Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken	Name of Contact Person	Anticipated Date of Completion
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CURRENT YEAR (01/31/06) --

There were no findings to be reported for the FYE 1/31/06.

PRIOR YEAR (01/31/05) --

There were no findings to be reported for the FYE 1/31/05.